

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name LAMOTTE TOWNSHIP	County SANILAC
Fiscal Year End 3-31-06	Opinion Date JUNE 9, 2006	Date Audit Report Submitted to State 6-21-06	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☐ ☒ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input checked="" type="checkbox"/>			
The letter of Comments and Recommendations	<input type="checkbox"/>	N/A		
Other (Describe)	<input type="checkbox"/>	N/A		
Certified Public Accountant (Firm Name)		Telephone Number		
ANDERSON, TUCKEY, BERNHART & DORAN, P.C.		989-673-3137		
Street Address		City	State	Zip
715 E. FRANK ST.		CARD	MI	48723
Authorizing CPA Signature		Printed Name		License Number
Gary R. Anderson		GARY R. ANDERSON		1101005446

LAMOTTE TOWNSHIP
Sanilac County, Michigan

Annual Financial Statements
and Auditor's Report

March 31, 2006

TOWNSHIP BOARD

Supervisor.....	Jim D' Arcy
Treasurer.....	Linda Hirsch
Clerk.....	J. Boyd King
Trustee.....	Steve Shaw
Trustee.....	Les Phillips

TABLE OF CONTENTS

PAGE NUMBER

INDEPENDENT AUDITOR'S REPORT

GENERAL PURPOSE FINANCIAL STATEMENTS

<i>Combined Balance Sheet - All Fund Types</i>	1 & 2
<i>Combined Statement of Revenues, Expenditures and Changes In Fund Balance - All Governmental Fund Types</i>	3
<i>Combined Statement of Revenues, Expenditures and Changes In Fund Balance - Budget (GAAP Basis) and Actual - General and Special Revenue Fund Types</i>	4 & 5
<i>Notes to Financial Statements</i>	6 - 11

ADDITIONAL INFORMATION

<i>General Fund - Schedule of Revenues, Expenditures and Change In Fund Balance, Budget (GAAP Basis) and Actual</i>	12 - 15
<i>Special Revenue Funds - Combining Balance Sheet</i>	16
<i>Special Revenue Funds - Combining Schedule of Revenues, Expenditures and Changes in Fund Balance</i>	17
<i>Fire Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual</i>	18
<i>Road Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual</i>	19
<i>Schedule of Changes in Assets and Liabilities</i>	20
<i>Schedule of Current Tax Collection Fund</i>	21

ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.

Certified Public Accountants



Gary R. Anderson, CPA
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Robert L. Tuckey, CPA
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Jamie L. Peasley, CPA

June 9, 2006

REPORT OF INDEPENDENT AUDITORS

Members of the Township Board
Township of Lamotte
Sanilac County, Michigan

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Township of Lamotte as of and for the year ended March 31, 2006, which collectively comprise the Township's basic financial statements required by accounting principles generally accepted in the United States of America. These financial statements are the responsibility of Lamotte Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Management has not presented government-wide financial statements to display the financial position and changes in the financial position of its governmental activities. Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. The amounts that would be reported in government-wide financial statements for the Township of Lamotte's governmental activities are not reasonably determinable.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Lamotte as of March 31, 2006 or changes in its financial position or cash flows where applicable, for the year then ended.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental financial information listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements of Lamotte Township. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Anderson, Tuckey, Bernhardt & Doran, P.C.

ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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GENERAL PURPOSE FINANCIAL STATEMENTS

LAMOTTE TOWNSHIP
Combined Balance Sheet - All Fund Types
March 31, 2006

	<u>GOVERNMENTAL FUND TYPE</u>		<u>FIDUCIARY FUND TYPE</u>
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>AGENCY FUND</u>
<u>ASSETS</u>			
Cash in Bank - Checking	\$ 1,516	\$ 52,258	
Cash in Bank - Savings	15,855		
Cash in Bank - Money Market Account	65,201	23,329	
Cash in Bank - CD	27,225		
Cash in Bank - CD		26,418	
Taxes Receivable			\$ 44,022
Due from other funds	3,248	6,554	
Property, Plant & Equipment at cost			
<u>TOTAL ASSETS</u>	<u>\$ 113,046</u>	<u>\$ 108,560</u>	<u>\$ 44,022</u>
<u>LIABILITIES & FUND BALANCE</u>			
Due to other funds			\$ 9,803
Due to other governmental units			34,219
Total Liabilities	-	-	44,022
Fund Balance:			
Investment in General Fixed Assets			
Designated		\$ 108,560	
Undesignated	\$ 113,046		
Total Fund Balance	113,046	108,560	-
<u>TOTAL LIABILITIES & FUND BALANCE</u>	<u>\$ 113,046</u>	<u>\$ 108,560</u>	<u>\$ 44,022</u>

The accompanying notes are an integral part of the financial statements.

ACCOUNT GROUP	
GENERAL FIXED ASSETS	TOTALS (MEMORANDUM ONLY)
	\$ 53,775
	15,855
	88,530
	27,225
	26,418
	44,022
	9,803
\$ 460,519	460,519
\$ 460,519	\$ 726,147
	\$ 9,803
	34,219
-	44,022
\$ 460,519	460,519
	108,560
	113,046
460,519	682,125
\$ 460,519	\$ 726,147

LAMOTTE TOWNSHIP
 Combined Statement of Revenues, Expenditures And
 Changes In Fund Balance - All Governmental Fund Types
 For The Year Ended March 31, 2006

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUNDS</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
REVENUES:			
Taxes	\$ 25,288	\$ 55,592	\$ 80,879
Intergovernmental	69,987		69,987
Licenses and permits	1,311		1,311
Rents & Royalties	10,350		10,350
Charges for services	16,627		16,627
Interest	3,048	685	3,732
Other	2,909	3,328	6,238
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	129,520	59,605	189,124
	<hr/>	<hr/>	<hr/>
EXPENDITURES:			
Legislative	22,548		22,548
General Government	35,068		35,068
Public Works	84,004	59,000	143,004
Township Hall	2,534		2,534
Public Safety	11,627	-	11,627
Other	4,240		4,240
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	160,021	59,000	219,021
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(30,501)	605	(29,897)
	<hr/>	<hr/>	<hr/>
FUND BALANCE - BEGINNING OF YEAR	143,548	107,955	251,503
	<hr/>	<hr/>	<hr/>
FUND BALANCE - END OF YEAR	<u>\$ 113,046</u>	<u>\$ 108,560</u>	<u>\$ 221,606</u>

The accompanying notes are an integral part of the financial statements.

LAMOTTE TOWNSHIP
 Combined Statement of Revenues, Expenditures
 And Changes In Fund Balance - Budget And Actual
 General And Special Revenue Fund Types
 For The Year Ended March 31, 2006

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)
REVENUES:			
Taxes	\$ 24,300	\$ 25,288	\$ 988
Intergovernmental	65,000	69,987	4,987
Licenses and permits	350	1,311	961
Charges for services	5,000	16,627	11,627
Interest & Dividends	1,000	3,048	2,048
Rents & Royalties	7,500	10,350	2,850
Other	-	2,909	2,909
TOTAL REVENUES	103,150	129,520	26,370
EXPENDITURES:			
Legislative	30,400	22,548	7,852
General Government	43,920	35,068	8,852
Public Works	99,000	84,004	14,996
Township Hall	3,000	2,534	466
Public Safety	25,000	11,627	13,373
Other	11,200	4,240	6,960
TOTAL EXPENDITURES	212,520	160,021	52,499
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(109,370)	(30,501)	78,869
FUND BALANCE - BEGINNING OF YEAR	143,548	143,548	-
FUND BALANCE - END OF YEAR	\$ 34,178	\$ 113,046	\$ 78,869

The accompanying notes are an integral part of the financial statements.

SPECIAL REVENUE FUNDS		
BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)
\$ 55,600	\$ 55,592	\$ (8)
		-
		-
		-
		-
600	685	85
-	3,328	3,328
56,200	59,605	3,405
		-
		-
100,000	59,000	41,000
		-
1,000	-	1,000
		-
101,000	59,000	42,000
(44,800)	605	45,405
107,955	107,955	-
\$ 63,155	\$ 108,560	\$ 45,405

TOTALS		
BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)
\$ 79,900	\$ 80,879	\$ 979
65,000	69,987	4,987
350	1,311	961
5,000	16,627	11,627
1,000	3,048	2,048
8,100	11,035	2,935
-	6,238	6,238
159,350	189,125	29,775
30,400	22,548	7,852
43,920	35,068	8,852
199,000	143,004	55,996
3,000	2,534	466
26,000	11,627	14,373
11,200	4,240	6,960
313,520	219,021	94,499
(154,170)	(29,896)	124,274
251,503	251,503	-
\$ 97,333	\$ 221,607	\$ 124,274

LAMOTTE TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

DESCRIPTION OF TOWNSHIP OPERATIONS & FUND TYPES:

The Township of Lamotte, Sanilac County, Michigan covers an area of approximately 36 square miles within Sanilac County. The Township operates under an elected Board of Trustees (5 members) and provides services to its more than 1,000 residents in many areas including public works, public safety, community enrichment and development and human services.

The financial statements of the Township of Lamotte have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to government units except for GASB 34 as explained in Note 9. The U.S. Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. REPORTING ENTITY:

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP, currently GASB Statement #14, the Financial Reporting Entity.

Based upon the application of these criteria, the general purpose financial statements of the Township of Lamotte contain all the funds and account groups controlled by the Township's Board of Trustees as no other entity meets the criteria to be considered a blended component unit or a discretely presented component of the Township nor is the Township a component unit of another entity.

B. FUND ACCOUNTING:

The government uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

GOVERNMENTAL FUNDS - are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital project funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other funds.

FIDUCIARY FUNDS - are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government.

ACCOUNT GROUPS - are used to account for fixed assets and long-term liabilities that are not reported in the respective governmental funds.

LAMOTTE TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):

C. BASIS OF ACCOUNTING:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increase (i.e. revenues and other financing sources) and decrease (i.e. expenditures and other financing uses) in net current assets.

All governmental fund types use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for revenue recognition for all other governmental fund revenues susceptible to accrual. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

Those revenues susceptible to accrual are property taxes, federal and state grants, special assessments, licenses, interest revenue and charges for services. Fines, permits and sales tax and other state revenues are not susceptible to accrual because generally they are not measurable until received in cash.

D. BUDGETS AND BUDGETARY ACCOUNTING:

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general and special revenue funds. All annual appropriations lapse at fiscal year-end.

E. CASH AND INVESTMENTS:

Cash includes amounts in petty cash and demand deposits. Investments included instruments allowed by state statute subsequently described. Investments are carried at fair market value.

State statutes authorized the Township to invest in bonds, securities, and other direct and certain indirect obligations of the U.S. Treasury, which include securities issued or guaranteed by the Government National Mortgage Association; certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, Federal Savings and Loan Insurance Corporation, or National Credit Union Administration, respectively; and in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase and not totaling more than 40% of any fund at any time. The Township is also authorized to invest in U.S. Government of federal agency obligation repurchase agreements, bankers' acceptance of U.S. banks, and mutual funds composed of investments as outlined above.

LAMOTTE TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):

F. RECEIVABLES:

Receivables consist primarily of amounts for taxes and customers charges. No allowance for doubtful accounts is considered necessary and credit risk is minimal because of the large number of customers and the authority of the Township to add receivables to the tax rolls which are secured by the underlying property.

G. FIXED ASSETS:

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. Fixed assets purchased within the proprietary funds and the non-expendable trust fund are reported as assets within those funds and accordingly, are included on their balance sheet.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government. Primarily because of this policy, total expenditures for capital improvements in the governmental funds do not equal total additions to the general fixed assets account group.

H. FUND EQUITY:

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

I. INTERFUND TRANSACTIONS:

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-reoccurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

J. MEMORANDUM ONLY - TOTAL COLUMNS:

The total columns on the combined statements are captioned memorandum only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

LAMOTTE TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2006

NOTE 2 - PROPERTY TAX REVENUE:

Property taxes become an enforceable lien on the property as of December 1. Taxes are levied on December 1 and are due in February of the following year. The Township bills and collects its own property taxes and also taxes for the county, intermediate school district and school districts. All tax collections are accounted for in the tax collection fund, an agency fund. Township tax revenues are recognized in the fiscal year which includes the December 1 levy date. The Township levied \$19,530 for operating and \$55,592 for roads.

The Township participates in the Sanilac County Delinquent Tax Fund, which purchases substantially all of the uncollected property tax of the Township each year. The Township receives settlement with the County for all uncollected taxes. On this basis, the full amount of the taxes levied is accrued as income in the year levied.

NOTE 3 – INVESTMENT IN GENERAL FIXED ASSETS:

The general fixed assets of the Township consist of the following:

	BALANCE APRIL 1, 2005	ADDITIONS	DEDUCTIONS	BALANCE MARCH 31, 2006
Land and Buildings:				
Gravel Pits & Cemeteries	\$ 138,485	32,207		\$ 170,692
Machinery and Equipment				
Fire Department	261,096	918		262,014
Township Hall	20,097	466		20,563
Voting	7,250			7,250
TOTAL	\$ 426,928	33,591	NONE	\$ 460,519

LAMOTTE TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2006

NOTE 4 – DEPOSITS AND INVESTMENTS:

DEPOSITS:

At year-end, the carrying amount of the Township's deposits was \$211,802 and the bank balance was \$216,283, \$216,283 of which was covered by federal depository insurance. Michigan law does not require collateralization of government deposits. All of the Township's funds, in accordance with Michigan Compiled Laws, Section 129.91, were invested in local banks.

INVESTMENTS:

State statutes and Township policy authorize the Township to invest in obligations of the United States, or agencies and instrumentalities of the U.S. commercial paper rated at the time of purchase within the top two classifications by at least two of the four rating agencies, certificates of deposits, repurchase agreements, banker's acceptance, and mutual funds.

The Township investments are categorized below to give an indication of the level of risk assumed at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the Township or its agent in the Township's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the Township's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer or by its trust department but not in the Township's name. The Township held no Category 1, 2 or 3 investments at March 31, 2006. Additional disclosures required by GASB 40 are not included in the accompanying financial statements.

The Township's cash, cash equivalents, investments and restricted assets at March 31, 2006 are composed of the following:

	<u>CASH AND CASH EQUIVALENTS</u>	<u>RESTRICTED ASSETS</u>
General Fund:		
Deposits	\$109,797	NONE
Other Funds:		
Deposits	<u>102,005</u>	<u>NONE</u>
	<u>\$211,802</u>	<u>NONE</u>

NOTE 5 – EMPLOYEE BENEFITS:

The Township pays no employee benefits.

NOTE 6 - RISK MANAGEMENT:

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Township carries commercial insurance to cover any losses that may result from the above described activities. For insured programs, there have been no significant reduction in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

LAMOTTE TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2006

NOTE 7 - LEGAL COMPLIANCE - BUDGETS:

The Township follows these procedures in establishing the budgetary data reflected in the financial statements.

1. On or prior to April 1 of each year, a proposed budget is submitted to the Board of Trustees for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayers comments.
3. Prior to April 1, the budget is legally enacted through passage of a resolution.
4. Any revisions of the budget must be approved by the Board of Trustees.
5. Formal budgetary integration is employed as a management control device during the year for the general fund and special revenue funds.
6. Budgets for general and special revenue funds are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted, or as amended by the Board of Trustees during the fiscal year. Individual amendments were not material in relation to the original appropriations which were amended.
7. The budget is prepared by fund and function and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. Expenditures may not exceed budget at the function level.

NOTE 8 – DUE TO AND FROM OTHER FUNDS:

Due to and from other funds balances at March 31, 2006 are as follows:

<u>FUND</u>	<u>DUE FROM OTHER FUNDS</u>	<u>DUE TO OTHER FUNDS</u>
Special Revenue Funds	\$6,554	
General Fund	3,249	
Current Tax Collection Fund	<u>-</u>	<u>\$9,803</u>
TOTAL	<u>\$9,803</u>	<u>\$9,803</u>

NOTE 9- GASB 34:

The Township chose not to adopt GASB 34, which is required by Generally Accepted Accounting Principles (GAAP). This departure from GAAP is also noted in the audit report letter.

ADDITIONAL INFORMATION

LAMOTTE TOWNSHIP
General Fund
Schedule of Revenues, Expenditures And
Change In Fund Balance
Budget And Actual
For The Year Ended March 31, 2006

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE - FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
Taxes:			
Property taxes	\$ 21,500	\$ 21,555	\$ 55
Delinquent taxes	2,800	276	(2,524)
Administration Fees		3,457	3,457
Total Taxes	<u>24,300</u>	<u>25,288</u>	<u>988</u>
Intergovernmental:			
State Shared Revenue	65,000	69,987	4,987
Licenses & Permits	350	1,311	961
Charges for services	5,000	16,627	11,627
Interest & Dividends	1,000	3,048	2,048
Rents & Royalties	7,500	10,350	2,850
Other Revenue:			
Miscellaneous		647	647
Sale of fixed assets		-	-
Reimbursements		1,662	1,662
Cemetary		600	600
Contributions		-	-
Total Other Revenue	<u>-</u>	<u>2,909</u>	<u>2,909</u>
TOTAL REVENUES	<u>\$ 103,150</u>	<u>\$ 129,520</u>	<u>\$ 26,370</u>

LAMOTTE TOWNSHIP
General Fund
Schedule of Revenues, Expenditures And
Change In Fund Balance
Budget And Actual
For The Year Ended March 31, 2006

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE - FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES			
Legislative:			
Township Board			
Salaries		\$ 3,400	
Professional Services		4,229	
Printing and Publishing		94	
Insurance		14,208	
Miscellaneous		617	
	<u> </u>	<u> </u>	<u> </u>
Total Legislative:	<u>\$ 30,400</u>	<u>22,548</u>	<u>\$ 7,852</u>
General Government:			
Executive			
Salaries		4,620	
Office Supplies		-	
Miscellaneous		-	
	<u> </u>	<u> </u>	<u> </u>
Total Executive	<u>5,370</u>	<u>4,620</u>	<u>750</u>
Board of Review			
Salary and Wages		1,200	
Miscellaneous		382	
	<u> </u>	<u> </u>	<u> </u>
Total Board of Review	<u>2,700</u>	<u>1,582</u>	<u>1,118</u>
Clerk			
Salary		8,725	
Supplies		144	
Rentals		800	
Miscellaneous		1,065	
	<u> </u>	<u> </u>	<u> </u>
Total Clerk's Staff	<u>12,525</u>	<u>10,734</u>	<u>1,791</u>

(Continued)

LAMOTTE TOWNSHIP
General Fund
Schedule of Revenues, Expenditures And
Change In Fund Balance
Budget And Actual
For The Year Ended March 31, 2006

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE - FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES, (Continued):			
Treasurer			
Salaries		\$ 8,725	
Supplies		310	
Rentals		500	
Miscellaneous		1,481	
Total Treasurer	<u>\$ 12,225</u>	<u>11,016</u>	<u>\$ 1,209</u>
Elections	<u>2,000</u>	<u>208</u>	<u>1,792</u>
Assessor			
Salary & Wages		4,300	
Supplies		402	
Rentals		600	
Miscellaneous		1,607	
Total Assessor	<u>9,100</u>	<u>6,909</u>	<u>2,191</u>
Total General Government:	<u>43,920</u>	<u>35,068</u>	<u>8,852</u>
Public Works:			
Zoning and Board of Review			
Salary & Wages		3,290	
Miscellaneous		665	
Total Zoning and Board of Review	<u>9,000</u>	<u>3,955</u>	<u>5,045</u>
Highway, Streets & Bridges:	<u>34,000</u>	<u>30,571</u>	<u>3,429</u>

(Continued)

LAMOTTE TOWNSHIP
General Fund
Schedule of Revenues, Expenditures And
Change In Fund Balance
Budget And Actual
For The Year Ended March 31, 2006

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE - FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES, (Continued):			
Township Hall & Grounds:			
Salary & Wages		\$ 1,413	
Supplies		1,903	
Repair and Maintenance		5,736	
Public Utilities		3,605	
Capital Outlay		33,684	
Miscellaneous		3,137	
Total Township Hall & Grounds	\$ 56,000	49,478	\$ 6,522
Total Public Works:	99,000	84,004	14,996
Township Hall - Street Lights	3,000	2,534	466
Public Safety - Fire Protection	25,000	11,627	13,373
Other Expenditures:			
Payroll Taxes	4,000	3,140	860
Cemetary	2,200	1,100	1,100
Contingency	5,000	-	5,000
Total Other Expenditures:	11,200	4,240	6,960
TOTAL EXPENDITURES	212,520	160,021	52,499
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(109,370)	(30,501)	78,869
FUND BALANCE - BEGINNING OF YEAR	143,548	143,548	-
FUND BALANCE - END OF YEAR	\$ 34,178	\$ 113,046	\$ 78,869

See the accompanying notes

LAMOTTE TOWNSHIP
Special Revenue Funds
Combining Balance Sheet
March 31, 2006

	<u>FIRE FUND</u>	<u>ROAD FUND</u>	<u>TOTALS</u>
<u>ASSETS</u>			
Cash in Bank - Independent Bank	\$ 1,020	\$ 51,239	\$ 52,258
Cash in Bank - Citizens First		23,329	23,329
Cash in Bank - Chemical CD	26,418		26,418
Due from other funds	<u>-</u>	<u>6,554</u>	<u>6,554</u>
TOTAL ASSETS	<u>\$ 27,438</u>	<u>\$ 81,122</u>	<u>\$ 108,560</u>
 <u>LIABILITIES & FUND BALANCE</u>			
Liabilities:			
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance:			
Designated	<u>\$ 27,438</u>	<u>\$ 81,122</u>	<u>\$ 108,560</u>
Total Fund Balance	<u>27,438</u>	<u>81,122</u>	<u>108,560</u>
TOTAL LIABILITIES & FUND BALANCE	<u>\$ 27,438</u>	<u>\$ 81,122</u>	<u>\$ 108,560</u>

See the accompanying notes

LAMOTTE TOWNSHIP
Special Revenue Funds
Combining Schedule Of Revenues, Expenditures
And Changes In Fund Balances
For the Year Ended March 31, 2006

	<u>FIRE FUND</u>	<u>ROAD FUND</u>	<u>TOTALS</u>
REVENUES:			
Property taxes		\$ 55,592	\$ 55,592
Delinquent taxes		-	-
Interest Income	\$- 347	338	685
Other		3,328	3,328
	<u>347</u>	<u>59,258</u>	<u>59,605</u>
TOTAL REVENUE			
EXPENDITURES:			
Public Safety	-	-	-
Public Works		59,000	59,000
	<u>-</u>	<u>59,000</u>	<u>59,000</u>
TOTAL EXPENDITURES			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>347</u>	<u>258</u>	<u>605</u>
FUND BALANCE - BEGINNING OF YEAR	<u>27,092</u>	<u>80,864</u>	<u>107,955</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 27,438</u></u>	<u><u>\$ 81,122</u></u>	<u><u>\$ 108,560</u></u>

See the accompanying notes.

LAMOTTE TOWNSHIP
Fire Fund
Schedule Of Revenues, Expenditures
And Changes In Fund Balances - Budget and Actual
For The Year Ended March 31, 2006

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE - FAVORABLE (UNFAVORABLE)</u>
REVENUE:			
Interest Income	<u>\$ 200</u>	<u>\$ 347</u>	<u>\$ 147</u>
TOTAL REVENUE	<u> 200</u>	<u> 347</u>	<u> 147</u>
EXPENDITURES:			
Public Safety			
Fire protection	<u> 1,000</u>	<u> -</u>	<u> 1,000</u>
TOTAL EXPENDITURES	<u> 1,000</u>	<u> -</u>	<u> 1,000</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u> (800)</u>	<u> 347</u>	<u> 1,147</u>
FUND BALANCE -BEGINNING OF YEAR	<u> 27,092</u>	<u> 27,092</u>	<u> (0)</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 26,292</u></u>	<u><u>\$ 27,438</u></u>	<u><u>\$ 1,147</u></u>

See the accompanying notes.

LAMOTTE TOWNSHIP
Road Fund
Schedule Of Revenues, Expenditures
And Changes In Fund Balances - Budget & Actual
For The Year Ended March 31, 2006

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE - FAVORABLE (UNFAVORABLE)</u>
REVENUE:			
Property taxes	\$ 50,000	\$ 55,592	\$ 5,592
Delinquent taxes	5,600	-	(5,600)
Interest Income	400	338	(62)
Other		3,328	3,328
	<u>56,000</u>	<u>59,258</u>	<u>3,258</u>
TOTAL REVENUE			
	<u>56,000</u>	<u>59,258</u>	<u>3,258</u>
EXPENDITURES:			
Public Works			
Highways, Streets, Bridge	100,000	59,000	41,000
	<u>100,000</u>	<u>59,000</u>	<u>41,000</u>
TOTAL EXPENDITURES			
	<u>100,000</u>	<u>59,000</u>	<u>41,000</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(44,000)</u>	<u>258</u>	<u>44,258</u>
FUND BALANCE - BEGINNING OF YEAR	<u>80,864</u>	<u>80,864</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 36,864</u>	<u>\$ 81,122</u>	<u>\$ 44,258</u>

See the accompanying notes.

LAMOTTE TOWNSHIP
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
GENERAL FIXED ASSET ACCOUNT GROUP
March 31, 2006

	<u>BALANCE APRIL 1, 2005</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE MARCH 31, 2006</u>
Land and Buildings:				
Gravel Pits & Cemeteries	\$ 138,485	\$ 32,207		\$ 170,692
Machinery and Equipment				
Fire Department	261,096	\$ 918		262,014
Township Hall	20,097	466		20,563
Voting	7,250			7,250
TOTAL	<u>\$ 426,928</u>	<u>\$ 33,591</u>	<u>\$ -</u>	<u>\$ 460,519</u>

See the accompanying notes.

LAMOTTE TOWNSHIP
Schedule of Changes in Assets and Liabilities
Current Tax Collection Fund
For the Fiscal Year Ended March 31, 2006

	<u>CURRENT TAX COLLECTION FUND</u>			
	<u>BALANCE MARCH 31, 2005</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE MARCH 31, 2006</u>
<u>ASSETS</u>				
Taxes receivable	\$ 8,611	\$ 349,118	\$ 313,707	\$ 44,022
<u>TOTAL ASSETS</u>	<u>\$ 8,611</u>	<u>\$ 349,118</u>	<u>\$ 313,707</u>	<u>\$ 44,022</u>
<u>LIABILITIES</u>				
Due to Road Fund	\$ 2,914	\$ 55,257	\$ 55,592	\$ 3,249
Due to General Fund	5,697	27,260	28,317	6,554
Due to other taxing units	-	231,190	265,209	34,219
<u>TOTAL LIABILITIES</u>	<u>\$ 8,611</u>	<u>\$ 313,707</u>	<u>\$ 349,118</u>	<u>\$ 44,022</u>

See the accompanying notes.